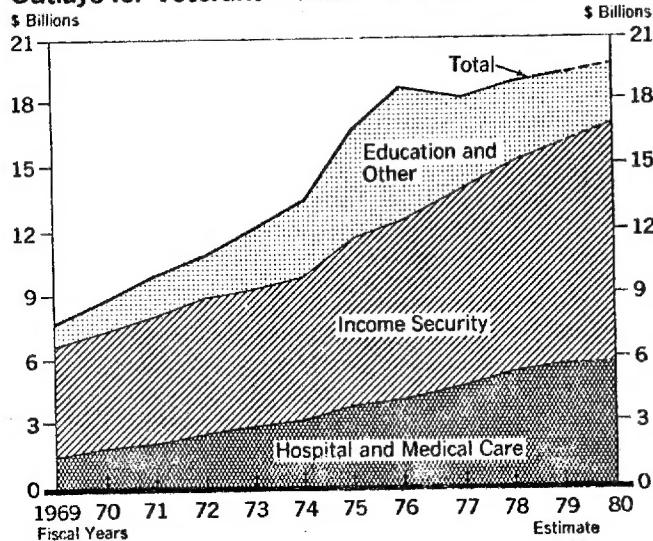


Outlays for Veterans Benefits and Services**Fiscal 1979 Budget:****VA Aims at Older Veterans**

The modest increase of \$141 million in anticipated outlays by the Veterans Administration (VA)—to a total of \$19.26 billion—masks the continuing redirection of the VA budget toward health and pension programs serving its aging constituency.

By the start of fiscal 1979, the estimated 8.5 million Vietnam-era veterans, with an average age of 31 years, will be far outnumbered by the 13.1 million veterans of World War II (average age 57 years) plus the 5.9 million veterans of the Korean War (average age 47.8 years). Carter recommends \$19.1 billion in new budget authority for the VA.

GI Bill. Outlays for veterans' education benefits under the GI Bill are projected to decline by about \$500 million, to \$2.6 billion. This amount may be understated since the budget projects no cost-of-living increase in education benefits. An increase of 5.8 per cent—the amount by which pensions and other payments would increase—would require an additional \$253 million.

GI Bill beneficiaries are projected to decline from 1.6 million to 1.3 million as more Vietnam-era veterans pass the 10-year deadline for using their benefits after discharge.

Medical Programs. Partly offsetting the decline in education benefits is a \$320 million increase in outlays, to \$5.8 billion, for medical care programs. Included in the budget are \$220 million to replace aging VA hospitals in Portland, Ore., and Seattle, Wash.

To provide mental and psychological readjustment services to Vietnam veterans and to treat drug and alcohol dependency, the budget requests \$12.4 million.

Pensions. By far the largest part of VA outlay in \$10.3 billion for various income security programs for aged or disabled veterans.

Payments to veterans disabled in the service and their survivors (2.6 million persons in all) will total 6.5 billion, including a projected 5.8 per cent cost-of-living increase.

VA old-age pensions, totaling \$3.3 billion, will be paid to an estimated 2.3 million veterans and their survivors. This figure, too, includes a 5.8 per cent increase.

Turner's Powers Increased:**Carter Signs Long-Delayed Intelligence Reorganization**

President Carter signed on Jan. 24 his long-delayed Executive Order reorganizing the intelligence community.

The product of months of negotiations between top-level national security officials, the White House and Congress, the order gave increased authority over intelligence functions to the Director of Central Intelligence, Adm. Stansfield Turner.

The order established new restrictions on intelligence activities that threatened the rights of Americans. But it fell short of the goals of civil libertarians aroused by reports of intelligence abuses made public in 1975-76 by the press and congressional committees. The Attorney General was given new authority to restrict intelligence activities directed against American citizens and resident aliens.

Sen. Walter (Dee) Huddleston (D Ky.), chairman of the Senate Intelligence subcommittee that is presently writing its own version of the intelligence reorganization, described the order as the product of more congressional input than any Executive Order in memory. His Charters Subcommittee was expected to make public shortly its own intelligence charter draft, writing into law the guidelines for intelligence operations previously set by presidential order. The legislative charter reportedly contains tighter restrictions on intelligence programs than does Carter's Executive Order.

Executive Order

The order centralized in the Director of Central Intelligence authority over the intelligence budget, intelligence "tasking"—assignment of specific responsibilities to particular agencies—and production of intelligence estimates.

But the order left with the Secretary of Defense operational control of the reconnaissance and communications functions that take up the largest portion of the overall intelligence budget. Control of these operations, which included satellites and other sophisticated methods of technological intelligence collection, was, according to some reports, the subject of sharp disputes between Turner and Defense Secretary Harold Brown.

The order prohibited the use of four intrusive information collection techniques against Americans—electronic surveillance, television monitoring, physical searches, and mail surveillance—unless the President approved the techniques and the Attorney General approved its specific application. Physical surveillance of Americans was limited to suspected foreign agents, terrorists, narcotics dealers and current or former intelligence employees thought to jeopardize the secrecy of intelligence methods and sources.

The order prohibited undisclosed participation by intelligence agents in domestic organizations, unless the infiltration was directed against a group composed primarily of foreigners thought to be acting on behalf of another country. It also required disclosure of intelligence agency sponsorship of any contracts entered into with U.S. institutions, except for non-academic institutions where disclosure was thought to undermine the purpose of the contract.

—By Harrison H. Donnelly

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